

Joseph Bodanza, Jr.  
Senior Vice President  
Finance Operations and Regulatory Affairs  
KeySpan Corporation  
One MetroTech Center  
Brooklyn, NY 11201-3851

RE: Service Quality Guidelines Established in D.T.E. 99-84

Dear Mr. Bodanza:

By letter dated September 14, 2001, Boston Gas Company, d/b/a KeySpan Energy Delivery New England ("Boston Gas" or "Company") requested permission to extend its current service quality plan through October 31, 2002. The Company states that its plan is substantially similar to the service quality guidelines established by the Department in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001) ("Guidelines"). To the extent its current plan and the Guidelines vary, the Company asserts it is primarily with respect to the structure of the penalty mechanism. The Company claims the Department should approve the extension because (1) the penalty mechanism of its service quality plan established in Boston Gas Company, D.P.U. 96-50 (Phase I) (1996) works in conjunction with the PBR price-cap formula developed in the same case, and (2) the rates developed from the PBR price-cap formula will be in effect through October 31, 2002.

The Department agrees that Boston Gas' service quality plan established in D.P.U. 96-50 works in conjunction with the price-cap formula established in the same case. However, the term of Boston Gas's current price-cap formula ends on October 31, 2001 with the final rate adjustment effective November 1, 2001. Boston Gas Fifth Annual Rate Adjustment, D.T.E. 01-74 at 2 (2001). Therefore, Boston Gas' current service quality plan ends on October 31, 2001. While the Company proposes to extend its current service quality plan through October 31, 2002, this proposal is inconsistent with D.T.E. 99-84, which developed uniform service quality standards among all gas and electric distribution companies.

D.T.E. 99-84

Therefore, consistent with our recent directives to all other gas and electric distribution companies, the Department directs Boston Gas to file a service quality plan applying the Guidelines established in D.T.E. 99-84.

By Order of the Department,

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James Connelly, Chairman

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W. Robert Keating, Commissioner

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Paul B. Vasington, Commissioner

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Eugene J. Sullivan, Jr., Commissioner

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Deirdre K. Manning, Commissioner

CC: Service List in D.T.E. 99-84